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THE
CHIGNECTO RAILWAY
CASE

CORRESPONDENCE

MAY, 1901

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Chignecto Railway Company

OTTAWA, MAY 2, 1901.

To the Honorable the Members of the

Canadian Senate and House of Commons.

GENTLEMEN,—

In a brief statement of facts relating to this enterprise sent to you recently, I explained how the investors had been induced to subscribe for the bonds and shares in the Railway, on which after expending about \$4,000,000 the work remains uncompleted. Since June 1894 we have been ready to recommence and finish it and have since then constantly pressed our moral and equitable right to the re-enactment of the subsidy by which the Government induced us to undertake the work.

If the Government will not ask Parliament to revoke our subsidy we have offered to accept a sum as compensation, which, if we cannot agree upon, we are willing should be fixed by arbitration.

And as the public mind has been prejudiced against us by misleading statements we have asked for a Select Committee to hear our case and report to Parliament or that the Hon. Mr. Justice Burbidge might be appointed a Commissioner to hear and report the facts. Neither proposal has been accepted by the Government. The correspondence herewith deals with these proposals.

I am,

Honorable Members of the Canadian Parliament,

Your most obedient servant,

A. D. PROVAND,

A Director of the Company,

OTTAWA, MARCH 14th 1901.

TO THE RIGHT HONOURABLE SIR WILFRID LAURIER,
Prime Minister.

Dear Sir :—

CHIGNECTO RAILWAY.

It is more than eight weeks since I came to Ottawa during which we have had many interviews regarding a Committee to consider our case without any result being arrived at and I therefore now address you with the object of assisting to reach a decision on this point.

We have been ready since June 1894 to recommence construction and complete the Railway. I have been here every year since then seeking to have our subsidy renewed to enable us to do so. We consider that we are entitled to this or to compensation and base our claim on the moral and equitable liability of the Canadian Government according to the invariable practice with Canadian contractors in renewing charters and subsidies and also on the practice of all governments in similar cases.

The Hon. Mr. Fielding, convener of the Sub-Committee to whom this question has been referred, has proposed that we should recommence proceedings by introducing a private bill to revive the Company's Charter as we did in 1896 and that the Government would allow the Bill to go before the Railway Committee in the usual way. Our position has however entirely changed meantime. In 1896 I had the promise of the Government that they would revoke the subsidy and we therefore introduced a private bill for the revival of the charter. But we have no promise from the present Government that they will renew the subsidy. On the contrary they have informed us that in their judgment it ought not to be renewed. To introduce a private bill would therefore merely entail on us the loss of much time and money and be without value if we got it.

I submit we should first be allowed an opportunity of satisfying Parliament and the Government that we are entitled to our subsidy or to compensation, and if the former a renewal of charter could follow. You have said that you are agreeable we should have such an opportunity and say that a private bill committee would give it. On this point we differ. Within the scope of a private bill to revive the charter we could present nothing whatever of our case for a revival of the subsidy except by the express permission of the committee, a most unlikely course to be adopted. Such procedure would be totally contrary to the established practice of the Railway Committee which confines itself to evidence relating to the bill before them. But if they heard all we had to say it would serve no purpose, as they keep no record and make no report except that a preamble is proved or not as the case may be, and therefore Parliament and the Government would get no information on the subject even if the Bill was passed; and if it were rejected those unfriendly to us would at once say we had received another opportunity of laying our case before a committee and had failed to satisfy it that we had a grievance that should be recognized—and this would be said even although we had been refused the privilege of saying anything in regard to our claim.

The opportunity which you say would be afforded to us by introducing a private bill comes to this, that assuming the Committee departed entirely from its established practice and allowed us to give evidence altogether outside of the scope of the bill before it which they recorded and reported to Parliament, then we might have the opportunity you desire us to obtain. But I have consulted members of the House, counsel who practice before Committees, and Sir John Bourinot, Clerk of the House, and their replies to my questions make it clear to me that neither the Railway Committee nor any sub-committee it might appoint would act in this way. If, however, you can assure me that in our case the Committee before which the Bill went would hear and record all the evidence offered and report upon it to the House after the manner of a Select Committee I shall re-consider your offer, but without this assurance I feel compelled, in the interest of those I represent, to decline it as the only result that could follow from it would be misleading and prejudicial to the investors.

But as you have made this offer to us in order that we may have an opportunity of stating our case, there should be no objection by the Government to the appointment of a Select Committee, before which I could lay it for consideration and report to the House. Such a Committee would ensure us the opportunity to state our case, which you have told me you desire us to have. For doing so there are many precedents. It is the usual Parliamentary method of dealing with such questions, and in appointing it the Government would be accepting no responsibility—they way write me to this effect—to adopt any recommendations it made. On the other hand the report might suggest a means of arriving at a satisfactory settlement.

I am now in my ninth week in Ottawa endeavoring to have our claims dealt with, and the question of a Committee, has been before the Government most of that time. I most earnestly and respectfully request that you will kindly send me a reply within a day or two whether the Government will agree to the appointment of a Select Committee on their own motion or on that of a private member to deal with this question.

I have the honor to be, Sir,

Your obedient servant,

(Signed) A. D. PROVAND.

OTTAWA, 20th MARCH, 1901.

Dear Sir,

From your last letter received yesterday, I understand that you desire an official answer to yours of the 14th instant. In view of the several conversations which we have had on the subject, I thought this unnecessary, for you make yourself the statement in your letter that: "The Hon. Mr. Fielding, convener of the sub-committee to whom this question has been referred, has proposed that we should recommence proceedings by introducing a private bill to revive the Company's charter as we did in 1896 and that the Government would allow the Bill to go before the Railway Committee in the usual way."

I have therefore again to inform you that the Government adhere to this answer conveyed to you by Mr. Fielding.

Yours respectfully,

(Signed) WILFRID LAURIER.

A. D. PROVAND, Esq.
Rideau Club,
Ottawa.

OTTAWA, MARCH 22nd. 1901.

The Right Honourable Sir Wilfrid Laurier;
Prime Minister.

Dear Sir,

CHIGNECTO RAILWAY.

I beg to acknowledge the receipt of your letter of the 20th. inst. in reply to mine of the 14th. It came too late to be added to the Statement of our case which had been already circulated to Members and Senators.

I much regret you have not informed me in reply to the last paragraph in my letter, whether you will grant a Select Committee to hear our case. You merely repeat the offer of a Committee to consider a Private Bill to revive the Company's charter which, for reasons given in my letter, I cannot accept, as unless it would act differently from the way in which any Railway Committee ever has acted (so far as I can ascertain) there would no opportunity given to us to lay before it the facts on which we base our claim on the Government.

I have the honour to be, Sir,

Your obedient servant,

(Signed) A. D. PROVAND.

LONDON, 28 MARCH, 1901.

To the Right Honourable,

Sir Wilfrid Laurier, G. C. M. G., M. P.

Sir :

CHIGNECTO RAILWAY.

We are in receipt of a communication from Mr. Provand, enclosing a copy of his recent letter to yourself, urging the appointment of a Select Committee to consider the claims of those interested in the Chignecto Marine Transport Railway.

We cannot help expressing our surprise that the committee has not been readily granted. It seems to us that such a Committee is now the only means left by which those who have subscribed to that unfortunate enterprise can effectually place their case before your government, the Canadian Parliament, and your people at large, and explain to them the terms on which British money was raised and expended in Canada.

Whatever might be the commercial practicability of an enterprise which Canadian experts pronounced to be not only feasible but likely to promote the immediate benefit of the country, it is clear that a very large amount of British money was subscribed in the belief that, whatever happened, the credit of the Canadian Government was, to a certain extent, pledged to the support of the undertaking.

Had it not been for this belief—not a penny would have been raised in England, or spent in Canada, and we cannot see how Mr. Provand can adequately urge this before your Parliament and Government if a Select Committee is denied him.

We feel very strongly that this question is one of honour and not of politics, and we are surprised that any British Government should endeavor in a case of this kind, to repudiate engagements which other countries, such as the Argentine Republic, have been willing in similar cases to recognize.

We hope that you will reconsider your answer to Mr. Provand, and consent to the appointment of a Select Committee. We cannot help thinking that in so doing you will have behind you the best opinion of Canada, and that the adoption of a contrary course will leave a blot on the financial reputation of the Dominion which cannot fail to affect her interests prejudicially whenever she may again seek to enlist the assistance of British capitalists in the development of her Commercial undertakings.

We have the honour to be, Sir,

Your most obedient servants,

(Signed) EDWARD BOND,

" RICHARD B. MARTIN,

" J. VAN RAALTE.

Trustees to the Bond and Shareholders.

OTTAWA, 13th. APRIL, 1901.

Dear Sirs,

I have the honour to acknowledge the receipt of your favour of the 28th. march last, and in answer, I beg to enclose copy of a letter addressed by me to Mr. Provand, on the 20th. of the same month.

I have the honour to be,

Dear Sirs,

Yours very sincerely,

(Signed) WILFRID LAURIER.

Messrs, Edward Bond,
Richard B. Martin,
J. Van Raalte.

London, England.

OTTAWA, 20th. MARCH, 1901.

Dear Sir,

From your last letter received yesterday, I understand that you desire an official answer to yours of the 14th. instant. In view of the several conversations which we have had on the subject, I thought this unnecessary, for you make yourself the statement in your letter that: "The Hon. Mr. Fielding, convener of the sub-committee to whom this question has been referred, has proposed that we should recommence proceedings by introducing a private Bill to revive the Company's charter as we did in 1896 and the Government would allow the Bill to go before the Railway Committee in the usual way."

I have therefore again to inform you that the Government adhere to this answer conveyed to you by Mr. Fielding.

Yours respectfully,

(Signed) WILFRID LAURIER.

A. D. Provand, Esq.
Rideau Club,
Ottawa.

OTTAWA, APRIL 20th. 1901.

To the Right Honourable Sir Wilfrid Laurier,
Prime Minister.

Dear Sir,

CHIGNECTO RAILWAY.

I beg to acknowledge receipt of a copy of your answer to the letter of the Trustees to the Investors, which I find is the same as your letter to me of the 20th. ult., and which was merely a sentence taken from my letter to you of the 14th. ult. That sentence was a summary of the offer in Mr. Fielding's letter to me of the 25th January, in which, after suggesting that I should recommence proceedings by introducing a private bill to revive the Company's charter, he gave me an assurance that "the Government would assist me so far as might be necessary to secure a hearing for the bill before a Committee of the House." This was intended by the Hon. Mr. Fielding as a concession to us and as your answer to the Trustees is a repetition, in substance, of the same offer I may inferentially presume you also consider it to be so. It is therefore necessary to consider what is the nature of this offer.

I have consulted Members, Counsel practising before Committees of the House and Sir John Bourinot the Clerk of the House of Commons and am assured by all of them that they never knew a private railway bill asking for a charter or for the renewal of one being refused a second reading by the House, and that such bills are invariably read a second time and sent to a Committee.

There has been one exception to this rule, namely, when the bill was introduced in 1896 to revive this Company's charter, on that occasion the opposition, during the temporary absence of Government supporters, departed from the practice of the House, and, treating that bill differently from any previous one, defeated it on a snap division by one vote.

Therefore, the assurance you have given the Trustees comes to this, that if a private bill is introduced to renew the Company's charter, it will not suffer the indignity of being summarily rejected but will be sent to a Committee.

In my efforts to obtain justice for our investors I have frequently had to draw your attention to the fact that we are treated differently from Canadian investors, and the subject of this letter is another illustration of the truth of my statement. If any Canadian Company were to introduce a private bill for a railway charter, it would be read a second time by the House as a matter of course. The authorities I have consulted do not know of any instance to the contrary, except the case of our own bill in 1896. But if our investors now introduce a bill—those who on the invitation of the Canadian Parliament and Government have spent \$4,000,000 in Canada for its benefit—they are told they must look upon its receiving a second reading as a concession obtainable by favour of the

Government

As these facts may not have been present to your mind when writing to the Trustees, and as they know nothing of them, I deem it my duty to point them out to you and I shall send a copy of this letter to them in order that they may know the different treatment accorded to them in this matter, as in many others, from that given to Canadian companies.

I have the honour to be, Sir,

Your obedient servant,

(Signed) A. D. PROVAND.

OTTAWA, APRIL 20th. 1901.

To the Right Honourable Sir Wilfrid Laurier,
Prime Minister.

Dear Sir,

CHIGNECTO RAILWAY.

At one of our interviews the Hon. Mr. Fielding said he wished we would make our claim on the government through the Exchequer Court, but I replied that we had not put forward any claim on legal grounds, but on those of morals and equity.

Since then however I have ascertained that in 1890, a claim arising out of a contract to construct parts of the Cape Breton and New-Glasgow Railways, was made on the government by Messrs. Stewart and Jones and was referred to a Sub-Committee of the Council and afterwards, by agreement of the parties, to the adjudication of the Hon. Mr. Justice Burbidge, sitting as a Commissioner. These particulars are taken from reports to the Privy Council, approved 26th. July and 20th. August, 1892.

I beg to bring the foregoing case (which was one of several) under your notice, as it may furnish a precedent for referring our claim to the same judge sitting as a Commissioner to ascertain and report the facts on which the Government would be free to act or not as they might deem fit.

Such a reference might be accepted by the Trustees for the investors provided that suitable terms of reference were agreed upon. I shall be happy to hear from you on this suggestion.

I have the honour to be, Sir,

Your obedient servant,

(Signed) A. D. PROVAND.

OTTAWA, 30th APRIL, 1901.

Dear Sir,

I have the honour to acknowledge the receipt of your favour of this day, and, in answer, I have again to refer you to my letter of the 20th. March last.

I have the honour to be,

Yours very sincerely,

(Signed) WILFRID LAURIER.

A. D. Provand, Esq.
Rideau Club,
Ottawa.

OTTAWA, APRIL 30th. 1901.
To the Right Honourable Sir Wilfrid Laurier,
Prime Minister.

Dear Sir :

CHIGNECTO RAILWAY.

I beg to enclose herewith a copy of the Report of the Meeting of Members of the House held in the Committee Room on Thursday last, reprinted from the Evening Journal.

The Report does not fully convey the sense of the meeting which was unanimously in favor of the claims of our investors being recognized by the Government and settled by compensation. More Members spoke and stronger words were used than are quoted in the Report.

Some of those present said they knew nothing about the claim; others that they had merely heard of it. But the result was the same with all those present as it has invariably been in individual cases, namely, that when they heard the facts they were of opinion our investors had been unfairly treated and that they were entitled to an immediate settlement.

Judging by the views expressed by those I addressed there can be no doubt as to the opinion of the House, and any resolution in favor of recognising and settling our claim would have been accepted by the meeting and passed unanimously. I am sure the effect of my statements would have been the same if the whole 213 Members had been present.

Several Members said they would put a motion on the paper to bring the question before the House but it is now too late for a private Member's motion to be reached this Session.

The Government can however do so and I beg therefore to ask if you will put down a motion to appoint a Committee to deal with our claim.

We desire enquiry and if not granted it will indicate a fear that the result would show we were unjustly treated.

I shall esteem an early reply to this letter,

I have the honour to be, Sir,

Your obedient servant,

(Signed), A. D. PROVAND.

OTTAWA, APRIL 30th. 1901.
To the Honourable W. S. Fielding, M. P.
Minister of Finance,

Ottawa.

Dear Sir,

CHIGNECTO RAILWAY.

I beg to send herewith a copy of the Report of the meeting of Members of the House which I addressed in the Committee Room last Thursday evening. It is reprinted from the Ottawa Journal.

I also enclose copy of a letter addressed to-day to the Prime Minister and beg to confirm to you all I say therein, as to the disposition towards our investors which dominated the meeting.

I speak with the utmost confidence when I say that I am certain the Government will meet with no opposition whatever in the House to a proposal to come to terms with the Company in one of the different ways I have offered in the correspondence which has passed between us.

Since that meeting took place, several members who could not be present have told me they quite agreed with the views expressed by those who spoke, and there is undoubtedly a general desire on the part of the members to deal justly with our Company, by some reasonable settlement of our claims.

I have the honour to be, Sir,

Your obedient servant,

(Signed), A. D. PROVAND.



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**THE
CHIGNECTO RAILWAY
CASE**



CORRESPONDENCE

MAY, 1901